

**MINUTES OF A BOARD MEETING OF THE
RECREATIONAL AUTHORITY OF
ROSEVILLE AND EASTPOINTE
HELD ON THURSDAY, NOVEMBER 14, 2013**

The meeting was called to order at 6:33 p.m. at the Roseville Recreation Center, 18185 Sycamore, by Chairperson Aiuto with the following Board Members present:

Duchane, Frontera, Marion and Switalski

Administrator present: Director Lipinski

Approval of Minutes:

Motion by Switalski, seconded by Frontera, to approve the minutes of October 10, 2013, as written.

MOTION CARRIED

Discussion and/or Action on Disbursements and Budget Report:

Motion by Duchane, seconded by Marion, to approve the disbursements and budget report as provided.

MOTION CARRIED

Communications:

Director Lipinski informed the Board about articles in the Eastsider and Macomb Daily regarding some of the programs and events of the Authority.

Old Business:

Discussion and/or Action on Financing Options for Proposed Addition:

Director Lipinski commented that following the last Authority meeting he had a meeting with City Manager Duchane, City Manager Atkins and both City Controllers to discuss a possible loan for the Authority from the two cities; Tim Tomlinson is drawing up a draft loan agreement for \$1.8 million with \$900,00 from each City; Mr. Albright will review the draft agreement before he brings it forward to the Board; loan document will be available at next meeting for approval to move forward; looking at interest rate of approximately 2.75%. Vice Chairperson Duchane commented that he doesn't think there will be any issue because it is an intergovernmental agreement; we have some cash up front to start the project and if the Board wants to get started, we should direct that specifications and bid documents be prepared. Director Lipinski commented that as part of this whole process the CGAP grant (\$342,000) is a reimbursement grant; \$37,000 would be for demolition, site work and utilities and \$305,000 for general contracting fees, architectural fees and engineering fees; when he spoke to the State Treasurer's Department, she said to apply for an amendment so he will pursue that. Board Member Switalski asked are there enough allowable expenses to utilize the entire grant. Director Lipinski replied that he believes we will use all the money for general contracting fees, architect fees and engineering fees but can't answer the question regarding demolition, site work and utilities. Board Member Switalski commented that as far as the money from the cities, he agrees with that because we can draw down only when we need the funds and not pay interest on it. Vice Chairperson Duchane commented that Mr. Gassen had informed that Board that their fees would be a couple hundred thousand. Board Member Switalski agreed that the Authority should get the documents prepared to go out to bid.

Motion by Switalski, seconded by Duchane, to draft bid documents for the expansion of the Recreational Authority building.

MOTION CARRIED

Chairperson Aiuto asked Director Lipinski how long it would take to prepare the specifications and bid documents. Director Lipinski replied that it would be the end of January or the beginning of February before he would get the specifications and bids out.

New Business:

Discussion and/or Action on Recreational Authority of Roseville and Eastpointe Financial Report Submitted by Plante Moran, PLLC:

Jane Dancey introduced Kari Shea from Plante Moran who has been working with the Recreational Authority since it was formed. Ms Shea explained to the Board that Plante Moran are independent auditors and give an independent report on RARE; they assess the internal controls but don't give a report on internal controls; reviewed the Letter of Transmittal; Pages 1 and 2 – Plante Moran's independent auditor's report and this is an unmodified opinion; Page 9 – first full year of financial statements – balance sheet shows modified accrual basis, adjustments and statement of net position; \$4,462,789 cash and cash equivalent is most important number; keep in mind the time of property tax revenues so you can pay down for the year; would be willing at the point when an intergovernmental agreement is drafted to review it to make sure it all right on the accounting side; Page 10 – income statement. Board Member Switalski asked if the way you get to the \$4.5 million is by adding the buildings with the \$1.5 million in cash. Ms. Shea replied yes. Ms. Shea informed the Board that any comments that Plante Moran would have would be in this letter and this year there aren't any in the letter; wonderful year for the Authority and its accounting; this letter is a requirement under auditing practices.

Motion by Duchane, seconded by Frontera to receive and file the financial reports submitted by Plante Moran.

MOTION CARRIED

Hearing of the Public:

Chairman Aiuto announced the Hearing of the Public, with no public participation.

Director Report:

Director Lipinski commented that a couple of meetings ago there was an issue regarding a dumpster at the Community Center; informed the Board that Rizzo delivered a dumpster the next week; do get the Senior Living Magazine and working on getting more copies; currently we are going through employee evaluations for seasonal and part-time employees; water issues at the Community Center and met with Mike Malone and Randy Altimus regarding these issues; portions of the Community Center were waterproofed and Mr. Malone is looking into that and will give him some information; very busy month – getting ready for a ton of events – Mom to Mom Sale and sold 52 spaces to vendors; Halloween Trick or Treat Trail at Veteran's Memorial Park; November 1st was Rumbling Tumbling Pumpkin Roll with cider and doughnuts provided by the Optimists Club; preparation for 35th Annual Bid Bird Run; 500 preregistered and race day registration was down; do want to try to get to the 1,000 registrants mark; usually have 800; gave away twenty-four turkeys during the raffle; turkeys were donated by Christian Financial Credit Union; congratulated Abbey Jenkins on the twelve and under win; course record set in 4K; great event and thanked all the sponsors; past Tuesday hosted a Know your Number seminar sponsored by Fifth Third Bank and Eastpointe/Roseville Chamber of Commerce; making plans for Eastpointe tree lighting on Wednesday, December 4th at 7:00 p.m. at Eastpointe City Hall and the

Roseville tree lighting on Thursday, December 5th at 6:30 p.m. at Roseville City Hall; thanked Ms. Dancey for all her help with the audit; wished everyone a happy and safe Thanksgiving.

Vice Chairperson Duchane commented that the Big Bird Run was very well run and commended the staff on their hard work.

Board Member Reports:

Board Member Switalski had no report.

Board Member Frontera congratulated Chairperson Aiuto on his reelection.

Board Member Marion commented that we had an approved renters list for inflatables that went out and Deronne's Hardware was missed and asked Director Lipinski to look into it; MIDOG was involved in the Trick or Treat Trail and suggested that Director Lipinski review some of the exhibitors because there were a couple of people that were not doing a family-oriented exhibition of a business.

Vice Chairperson Duchane informed the Board that the Eastpointe City Council requested a discussion on the Recreational Authority at the next City Council meeting and invited the Board to attend and wished everyone happy holidays.

Chairperson Aiuto replied to Vice Chairperson Duchane and said Roseville has a City Council meeting next Tuesday so he won't be able to attend Eastpointe's City Council meeting; congratulated Board Member Switalski on his election and thanked Board Member Frontera.

Motion by Frontera, seconded by Switalski, to adjourn the meeting at 7:09 p.m.

MOTION CARRIED

Linda S. Lince, Acting Secretary